

**House File 2156 - Introduced**

HOUSE FILE 2156  
BY D. OLSON

**A BILL FOR**

1 An Act relating to an exemption from the fee for new  
2 registration of a vehicle for vehicles used substantially in  
3 interstate commerce.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.105A, subsection 2, paragraph c,  
2 subparagraph (5), subparagraph division (c), Code Supplement  
3 2009, is amended to read as follows:

4 (c) For the purposes of this subparagraph (5), if a vehicle  
5 meets the requirement that twenty-five percent of the miles  
6 operated accrues in states other than Iowa in each year of the  
7 first four-year period of operation, the exemption from the  
8 fee for new registration shall continue until the vehicle is  
9 sold or transferred. If the vehicle is found to have not met  
10 the exemption requirements or the exemption was revoked, the  
11 value of the vehicle upon which the fee for new registration  
12 shall be imposed is based on the original purchase price if  
13 revocation or nonqualification for this exemption occurs  
14 during the first year following registration. If revocation  
15 or nonqualification for this exemption occurs after the first  
16 year following registration, the value of the vehicle upon  
17 which the fee shall be imposed is the book or market value,  
18 whichever is less, at the time the exemption requirements were  
19 not met or the exemption was revoked. Notwithstanding any  
20 other provision, when performing an audit for the purpose of  
21 verifying a vehicle's qualification for the exemption under  
22 this subparagraph (5), the department shall consider only  
23 records from the three years of operation of the vehicle  
24 immediately preceding the year in which the audit is conducted.

25 EXPLANATION

26 Under current law, vehicles registered or operated under  
27 proportional registration provisions and used substantially  
28 in interstate commerce are exempt from the fee for new  
29 registration, which was formerly imposed as the vehicle  
30 use tax. To qualify for the exemption, at least 25 percent  
31 of the vehicle's operating miles must be accrued in states  
32 other than Iowa in each of the first four years of operation.  
33 This bill limits the length of time the owner of a vehicle  
34 is required to retain operating records to qualify for the  
35 exemption by limiting audits by the department of revenue to

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1 the consideration of records from the three years of operation  
2 immediately preceding the year in which an audit is conducted.